

# SENATE BILL REPORT

## SB 5016

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As Reported by Senate Committee On:  
Agriculture, Water & Rural Economic Development, February 17, 2015

**Title:** An act relating to retaining water resources to assure the vitality of local economies.

**Brief Description:** Retaining water resources to assure the vitality of local economies.

**Sponsors:** Senators Honeyford and Ericksen.

**Brief History:**

**Committee Activity:** Agriculture, Water & Rural Economic Development: 2/10/15, 2/17/15  
[DP-WM].

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### SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Warnick, Chair; Dansel, Vice Chair; Hatfield, Ranking Minority Member; Honeyford.

**Staff:** Diane Smith (786-7410)

**Background:** State agencies such as Department of Natural Resources (DNR), Department of Fish and Wildlife (WDFW), and the Parks and Recreation Commission (PRC) from time to time buy developed, economically productive land that the agencies convert to less-intensive, economically nonproductive uses. These lands frequently have water rights that, consequently, receive less beneficial use than they did before, or no beneficial use. This reduction or removal of water resources from the local communities can have adverse consequences to the region.

**Summary of Bill:** The state agencies, DNR, WDFW, and PRC, must maintain an inventory of water rights appurtenant to each parcel of land they purchase. At least once per year the agencies must record whether each parcel's water right has been put to beneficial use.

The agency must file an application to change or transfer a water right if the agency plans not to, or has not, used all or part of the parcel's water right for the past four-consecutive-year period. The transfer must be made through the Department of Ecology (Ecology) to the

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newly created local economy trust water account (account) and must be completed before the fifth year of nonuse.

The account is a repository for the water rights temporarily held by Ecology as local economy trust water rights. The water rights leave the account when they are transferred to another beneficial use. The agency may terminate the transfer process before the fifth consecutive year upon changed expectations or actual change in usage of that water.

Water rights in the account are available, first come, first served, to new uses or to uses within the Water Resource Inventory Area (WRIA) from which the water right came. Applicants for transfers from the account must pay both for Ecology's costs to place the water right into and transfer it out of the account.

Ecology must report to the Legislature and the legislators representing the area from which the original water right came, its reasons for not transferring a water right in the account to a new use within three years of the water right's transfer into the account.

Transfers to and from the account must follow existing water codes. Administrative provisions address timelines, details of transfer, priority dates, requirements for documentation to be given to the new holder of the water right and other matters. Administrative appeals are to the Pollution Control Hearings Board. Electronic notice and opportunity to comment must be sent to the affected local governments and tribal governments when the account is used for the first time in a WRIA. The circumstances are listed under which the water rights are not subject to relinquishment.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Agencies buying land and taking the water rights out of beneficial use is the same as sending water south – it dries up the land if it is not used for agriculture. This is a good government bill bringing us toward more-balanced relinquishment. There is a large percentage of land especially in eastern Washington, that is in public ownership which reduces the tax base. The rest of the counties' tax payers must then take up the burden when agricultural land goes out of production.

CON: We need better records from state lands but this bill prevents agencies from putting water back in-stream.

OTHER: It is good for agencies to account for their water use so as not to inadvertently relinquish water rights. However, the existing Trust Water Account could be used. It has more options such as use for fish flows.

**Persons Testifying:** PRO: Senator Honeyford, prime sponsor; Evan Sheffels, WA Farm Bureau; Kathleen Collins, WA Water Policy Alliance.

CON: Bruce Wishart, Sierra Club, Center for Environmental Law and Policy.

OTHER: Tom Loranger, Ecology.